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28 NOV 1975

MEMORANDUM FOR: Deputy Director for Operations

SUBJECT : FY-75 KEP

1. In response to my request, the Intelligence Community Staff has provided an interim report on the status of the FY-75 KEP (copy attached).

2. The preliminary conclusion, based on NIO subjective performance assessments, and performance data provided by Community producers and collectors, is that about two-thirds of the FY-75 KIQs were satisfactorily answered--on 42 KIQs the IC essentially achieved the production and collection goals set forth in applicable strategies--at a cost of about one-third of the IC's O&M operating budget for FY-75.

3. While there were, as expected in such a 'first' effort, a number of ambiguities and some inconsistencies, it seems clear that the process is workable and that useful findings will emerge. I am encouraged by the size and focus of DDO's KIQ-related efforts--noting that [REDACTED] provided information on 65 of the 69 FY-75 KIQs; [REDACTED] provided data on all but one; and that the Clandestine Service provided information on all 69. This data, excluding that provided by [REDACTED] was considered by NIOs collectively to have contributed 35% of the total information gained on KIQs during the year. DDO's KIQ collection activities represent 34% of its O&M budget for collection/processing, and 68% of the Community's entire FY-75 KIQ collection expenditures. Instructive as these statistics appear to be, their credibility (and hence their utility) depends on precision in reporting and consistency in both approach and level of detail in costing and record keeping procedures.

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4. Since the concept of evaluating Community performance by relating outcome and performance to priorities and resource expenditures appears sound, we must now put the effort and discipline into the process that success demands.

5. To firmly establish the KEP as a viable and productive effort requires:

a. active DDO participation (through HSC) in the development of FY-76 collection strategies to ensure a common approach and structure, consistency of detail in the identification of internal goals and objectives and precision in specifying tasks for which commitments are sought;

b. care be exercised in identifying KIQ-related reports throughout the year;

c. ascertaining/estimating and reporting all KIQ-related support and overhead expenditures;

d. continued responsiveness to performance reporting instructions and guidance.

6. I repeat that the KEP continues to be an important endeavor, one that must be established and regularized as soon as possible. To this end I urge your continuing personal attention.

SIGNED

W. E. Colby

Attachment

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